

**TEACHERS' FUND FOR RETIREMENT**  
**A Division of ND Retirement and Investment Office**  
**Balance Sheet**  
**As of 7/31/2008**

9/11/2008

	As of <u>7-31-08</u>	As of <u>6-30-08</u>
<b>ASSETS:</b>		
<b>INVESTMENTS (AT MARKET)</b>		
DOMESTIC EQUITIES	\$ 650,139,729	\$ 656,594,517
INTERNATIONAL EQUITIES	364,619,975	381,460,498
DOMESTIC FIXED INCOME	360,700,979	368,635,792
INTERNATIONAL FIXED INCOME	91,202,760	90,585,955
REAL ESTATE	210,277,448	218,557,672
ALTERNATIVE INVESTMENTS	100,555,194	101,316,753
INVESTED CASH (NOTE 1)	<u>20,650,369</u>	<u>4,421,123</u>
 TOTAL INVESTMENTS	 1,798,146,454	 1,821,572,310
 <b>RECEIVABLES</b>		
DIVIDEND/INTEREST RECEIVABLE	7,033,433	7,971,834
CONTRIBUTIONS RECEIVABLE	187,800	8,065,995
MISCELLANEOUS RECEIVABLE	<u>5,959</u>	<u>5,361</u>
 TOTAL RECEIVABLES	 7,227,192	 16,043,190
 <b>OTHER ASSETS</b>		
INVESTED SECURITIES LENDING COLLATERAL (NOTE 2)	21,349,349	21,349,349
OPERATING CASH (NOTE 3)	10,348,046	11,156,236
FIXED ASSETS (NET OF ACCUM DEPR)	<u>555,989</u>	<u>555,989</u>
 TOTAL ASSETS	 <u>\$ 1,837,627,030</u>	 <u>\$ 1,870,677,074</u>
 <b>LIABILITIES:</b>		
SECURITIES LENDING COLLATERAL (NOTE 2)	21,349,349	21,349,349
ACCOUNTS PAYABLE	34,653	64,609
ACCRUED EXPENSES	288,653	514,856
CAPITAL LEASE PAYABLE	0	0
INVESTMENT EXPENSES PAYABLE	<u>2,634,849</u>	<u>2,634,849</u>
 TOTAL LIABILITIES	 24,307,504	 24,563,663
 <b>NET ASSETS AVAILABLE:</b>		
NET ASSETS AVAILABLE BEGIN OF YEAR	1,846,113,411	2,029,777,412
CASH IN DURING YEAR (NOTE 4)	19,165,000	141,658,999
CASH OUT DURING YEAR (NOTE 5)	19,165,000	141,658,999
NET INCREASE (DECREASE)	<u>(32,793,885)</u>	<u>(183,664,001)</u>
 NET ASSETS AVAILABLE END OF PERIOD	 <u>1,813,319,526</u>	 <u>1,846,113,411</u>
 TOTAL LIABILITIES & NET ASSETS AVAILABLE	 <u>\$ 1,837,627,030</u>	 <u>\$ 1,870,677,074</u>

**TEACHERS' FUND FOR RETIREMENT**  
**A Division of ND Retirement and Investment Office**  
**Profit and Loss Statement**  
**For the Month Ended 7/31/2008**

	Month Ended <u>7-31-08</u>	<u>Year-to-Date</u>
ADDITIONS:		
INVESTMENT INCOME		
INTEREST/DIVIDEND INCOME	\$ 2,754,209	\$ 2,754,209
SECURITIES LENDING INCOME	<u>45,230</u>	<u>45,230</u>
	2,799,439	2,799,439
 GAIN ON SALE OF INVESTMENTS	 16,326,237	 16,326,237
LOSS ON SALE OF INVESTMENTS	<u>12,912,724</u>	<u>12,912,724</u>
 NET GAINS (LOSSES) INVESTMENTS	 3,413,513	 3,413,513
 INVESTMENT EXPENSES	 1,172,537	 1,172,537
SECURITIES LENDING EXPENSES	<u>21,543</u>	<u>21,543</u>
 NET INVESTMENT INCOME	 5,018,872	 5,018,872
 NET APPREC (DEPREC) MARKET VALUE	 (28,341,141)	 (28,341,141)
MISCELLANEOUS INCOME/(EXPENSE)	<u>(2,650)</u>	<u>(2,650)</u>
 TOTAL INVESTMENT INCOME	 (23,324,919)	 (23,324,919)
 CONTRIBUTIONS & ASSESSMENTS (NOTE 6)	 204,317	 204,317
PURCHASED SERVICE CREDIT (NOTE 7)	489,313	489,313
PENALTY & INTEREST (NOTE 8)	<u>1,012</u>	<u>1,012</u>
 TOTAL ADDITIONS	 <u>(22,630,277)</u>	 <u>(22,630,277)</u>
DEDUCTIONS:		
BENEFITS PAID PARTICIPANTS (NOTE 9)	9,472,866	9,472,866
PARTIAL LUMP SUM BENEFITS PAID	516,322	516,322
REFUNDS TO MEMBER (NOTE 10)	<u>85,884</u>	<u>85,884</u>
 TOTAL BENEFITS PAID	 10,075,072	 10,075,072
 ADMINISTRATIVE EXPENSES	 88,536	 88,536
 TOTAL DEDUCTIONS	 <u>10,163,608</u>	 <u>10,163,608</u>
 NET INCREASE (DECREASE)	 <u>\$ (32,793,885)</u>	 <u>\$ (32,793,885)</u>

**TEACHERS' FUND FOR RETIREMENT**  
**Notes To Financial Statements**  
**July 31, 2008**

9/11/2008

The following notes to financial statements are intended to provide general descriptions of line items in the financial statements.

NOTE 1                    INVESTED CASH

Pension Cash Pool invested in the short-term investment fund (STIF/STEP) at The Northern Trust Company.

NOTE 2                    SECURITIES LENDING COLLATERAL

Securities are loaned versus collateral that may include cash, U.S. government securities and irrevocable letters of credit. U.S. securities are loaned versus collateral valued at 102% of the market value of the securities plus any interest. Non-U.S. securities are loaned versus collateral valued at 105% of the market value of the securities plus any accrued interest. Non-cash collateral cannot be pledged or sold unless the borrower defaults. Cash open collateral is invested in a short term investment pool.

NOTE 3                    OPERATING CASH

TFFR money market and checking accounts at the Bank of North Dakota.

NOTE 4                    CASH IN DURING YEAR

Cash transferred into investment accounts at The Northern Trust Company during the current fiscal year.

NOTE 5                    CASH OUT DURING YEAR

Cash transferred out of investment accounts at The Northern Trust Company during the current fiscal year.

NOTE 6                    CONTRIBUTIONS

Contributions on teachers' salaries of 7.75 percent of salary plus a matching contribution paid by the employer unit, for a total contribution of 15.5 percent that must be remitted monthly.

NOTE 7                    PURCHASED SERVICE CREDIT

Payments received on the purchase of service credit for TFFR as allowed by the North Dakota Century Code.

# TEACHERS' FUND FOR RETIREMENT

9/11/2008

## Notes to Financial Statements

7/31/2008

### NOTE 8            PENALTY & INTEREST

Amounts charged to school districts for late payment or reporting of contributions.

### NOTE 9            BENEFITS PAID TO PARTICIPANTS

Monthly annuity benefits paid to retired teachers on the first of each month.

### NOTE 10          REFUND TO MEMBERS

Refunds of teachers' accounts who have ceased teaching in North Dakota.